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TO RUEHC/SECSTATE WASHDC 0480
INFO RUEHSM/AMEMBASSY STOCKHOLM 1372
RUCPDO/USDOC WASHINGTON DC
RUEKJCS/SECDEF WASHDC
RHMFIUU/FBI WASHINGTON DC
RUEAIIA/CIA WASHDC
RHMFIUU/HQ BICE INTEL WASHINGTON DC

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SIPDIS
DEPARTMENT FOR PM/DDTC - BLUE LANTERN COORDINATOR

E.O. 12958: N/A
TAGS: [ETTC](#) [KOMC](#) [RS](#)
SUBJECT: BLUE LANTERN LEVEL 3: PRE-LICENSE END-USE CHECK ON
APPLICATION 050122921

REF: STATE 102660

¶1. (SBU) Summary: Kumertau Aircraft Production Enterprise representatives told us their company is ultimately controlled by RosOboronExport (ROE). TechPromService representatives told us, however, that the company is a private enterprise not affiliated with ROE. We were unable to conduct site visits to assess the security of the companies' facilities, but both companies told us the security at their facilities must be tight in order to handle state secrets. Kumertau Aircraft Production Enterprise produces and sells civilian and military helicopters; it is not a broker. TechPromService, however, is a broker. This particular United States Munitions List (USML) item will be installed on helicopters that TechPromService will lease to OboronProm Leasing, a company that is ultimately controlled by ROE. Neither Kumertau Aircraft Production Enterprise nor TechPromService provided us with copies of the contract regarding this transaction, but General Director of TechPromService did send us a letter that said his company would install SX-16 infrared searchlights on the helicopters. Both Kumertau Aircraft Production Enterprise and TechPromService understand restrictions on USML items, including their re-export. End Summary.

¶2. (U) In an October 17 meeting Kumertau Aircraft Production Enterprise Deputy Director General Sergey Sayganov told us his company has been in business since 1962. The General Director of the company is Mikhail Malarenko. According to Sayganov, 100 percent of the company's shares are owned by the GOR. Kumertau Aircraft Production Enterprise is controlled by Kamov Holding Company, which is controlled by Helicopters of Russia, which is part of OboronProm, which is part of ROE, which is controlled by RosTekhnologii.

¶3. (U) TechPromService Legal Counselor Sergey Khomenko told us October 16 that his company is a private enterprise founded on August 31, 2000. The General Director is Oleg Yunusov and the Commercial Director is Rafail Rafikov. Khomenko told us his company was not affiliated with ROE.

¶4. (SBU) We were unable to conduct site visits to assess the security of the facilities for either company. Sayganov and Khomenko told us, however, that their companies collocate their civil and military production facilities, and so are secure enough to house state secrets.

¶5. (U) Kumertau Aircraft Production Enterprise produces and sells civilian and military helicopters and spare parts. It does not act as a broker. TechPromService, however, is a broker. It refurbishes old helicopters, such as those produced by Kumertau Aircraft Production Enterprise, and then resells or leases them to other entities.

¶6. (U) Kumertau Aircraft Production Enterprise typically sells its

helicopters to customers in Russia and the CIS, including the Russian military. TechPromService often works with Kumertau Aircraft Production Enterprise, Kamov Holding Company, RosVertol, in Russia, and Motor Sich, in Zaporozhiye, Ukraine.

¶7. (U) While we did not receive a copy of the contract related to this transaction, we did receive a letter from the TechPromService General Director that said this USML item will be installed on KA-32A11BC search and rescue helicopters. According to Sayganov, TechPromService will lease the helicopters to OboronProm Leasing, a company which is controlled by OboronProm, which is controlled by ROE. The helicopters will be used only in the Russian Federation.

¶8. (U) Kumertau Aircraft Production Enterprise and TechPromService understand the restrictions on USML items, especially the prohibition against unauthorized re-transfers and re-exports.

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